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IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Day of general discussion: Globalization and its impact on the enjoyment of economic and social rights

Monday, 11 May 1998

Globalization and economic and social rights of women: article 2, paragraph 2, and article 7 of the International Covenant on Economic, Social and Cultural Rights

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GE.98-15856 (E)

GLOBALIZATION AND ECONOMIC AND SOCIAL RIGHTS OF WOMEN: ARTICLE 2, PARAGRAPH 2, AND ARTICLE 7 OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

1. Globalization has brought about a number of changes in social relationships, particularly in work relationships, and has been characterized by the massive entry of women into the job market. According to the ILO, between 1973 and 1990, the rate of male participation in the job market fell from 88 to 83 per cent, whereas female participation rose from 48 to 60 per cent. 1/ The conditions and circumstances in which the entry of women into the job market has taken place only go to confirm the discrimination to which women have been and continue to be subjected in the workplace.

2. Women have entered the job market for two reasons: firstly, because of their desire to be recognized as individuals and citizens in a society in which such recognition depends primarily on participation in the job market; and, secondly, because of the unavoidable need to work as a result of the unemployment and reduced income of the male members of the family and the reduction in or disappearance of the social benefits enjoyed by households headed by men, who were the main breadwinners.

3. However, this increased participation occurred in conditions which were as discriminatory as the ones that existed before and which were exacerbated by the fact that women were being used as reserve labour in order to cut salaries and offer less favourable conditions. What companies were trying to do was to reduce their production costs so as to increase their competitiveness in the international market. Many relocated their head offices to low-wage countries and very often to so-called "export processing zones" (EPZs).

4. High unemployment rates were used as a coercive negotiating factor enabling companies to reduce labour costs, thus making them more competitive, much to their satisfaction. Women were the first to accept offers of low paid, part-time work with no social benefits to ensure that their families survived male unemployment. Up to 1984, 80 per cent of workers in the export processing zones in Mauritius were women. That same year, the Government decided to repeal legislation on a minimum wage for men and, as a result, the percentage of women employed in the zones fell to 66 per cent. 2/ The presence of women workers forced men therefore to accept remuneration below the minimum wage.

5. In Western European countries, as well as in countries such as Chile and Mexico, Russia and Ukraine, China, Malaysia, the Philippines, India and South Africa, labour flexibility or insecurity has replaced the previous trend towards full employment with regular and full-time wages. 3/ More and more companies are using temporary or part-time workers hired for fixed periods, as well as outside workers, subcontracting much of their work and turning to other types of outside labour. According to a Swiss trade union leader, "Employers refuse to employ staff: what they want are employees <u>à la carte</u>". Or as a Manpower executive put it: "Before, temporary work filled a need on the part of the employee, it was a choice. Now it satisfies a demand of

companies and has become a management tool". 4/ Women are an essential part of these "outside sources" of work. They also account for a large share of the undeclared informal workers who do not receive any social benefit or who do work for their own account that does not guarantee them a minimum living wage.

6. In most industrialized countries, increased female participation in the labour force can be explained by the widespread introduction of part-time work. In the OECD countries, the number of women part-time workers ranges from 90 per cent in Germany and Belgium to around 65 per cent in Italy, Greece and the United States. A large share of the women who work part-time are mothers of small children and there is a correlation between part-time work and the availability of child-care facilities and fairly long school hours. As part-time work does not provide the same benefits, career prospects and training opportunities as full-time work, this may explain the possible marginalization of women with family responsibilities. 5/

7. Along with unemployment, the trend towards flexibilization of working patterns and practices has pushed many low-skilled women workers into casual, temporary, domestic or "self-employed" work, as well as home work. They also work in the informal sector as street vendors, domestic servants or undeclared homeworkers. In Africa, Asia and Latin America, they survive and enable their children to survive in conditions of poverty or extreme poverty by doing such work, which benefits large companies, their subcontractors and other companies involved in the wholesale exploitation of women, children and minorities, with the protection or tolerance of Governments and the economic powers that be.

8. Home work has grown significantly in industrialized as well as in less developed countries. This type of work is steadily increasing in electronics, engineering and electrical engineering, as well as in the traditional textile, clothing, leather and crafts industries. In the automotive industry, parts are assembled by home workers in many countries. The proportion of women home workers is extremely high: between 90 and 95 per cent in Germany, Greece, Ireland, Italy and the Netherlands; 84 per cent in France; 70 per cent in Spain and the United Kingdom; 93.5 per cent in Japan; and 97 per cent in Algeria. Although no data were available, the figures seem to be similar in many developing countries judging by the information provided by certain industries. 6/ This kind of work, which allows women to juggle work and family life, is remunerated way below the generally accepted standards for such activities and below the minimum wage. Working hours are usually much longer than stipulated by law, as piece-work and insufficient remuneration force workers to try to produce as much as possible in order to earn enough to live on. "Being largely invisible and difficult to organize, home workers are particularly vulnerable to exploitation, in addition to which a network of agents, contractors and subcontractors is also seeking to make gains at their expense". 7/

9. Quite a few of the persons who have been displaced from the formal sector, i.e. work which enjoys the benefits provided for in labour and social legislation, have tried to earn their living in the informal sector. In Latin America, self-employed workers, workers in small companies, family firms (unpaid) and domestic workers accounted for 53 per cent of non-agricultural

labour in 1990, whereas, in 1980, they represented only 40 per cent. The new jobs are said to be of "inferior quality" because they are occupied by labour from the countryside, which enables employers to cut salaries. 8/ Female worker participation in the informal sector stands at 60 per cent in Venezuela, 62 per cent in Paraguay and 70 per cent in Peru. 9/

10. The situation of self-employed workers in the informal sector has been described in a report on this type of worker in Burkina Faso which indicates that the informal sector accounts for 20 per cent of that country's gross national product and is a source of livelihood for 80 per cent of the economically active urban population. "They have no kind of social security, they have no machines, they lack raw materials and other necessary products, channels of distribution are chaotic and they have low levels of education. Consequently, their products are of inferior quality, and therefore uncompetitive, and so they often have to be involved in several different kinds of activity at the same time. They have no access to capital or guarantees and therefore find it difficult to obtain loans ... They are everywhere, on the roadsides, on the reservations or on the outskirts of working-class areas and they avoid any type of control by the tax authorities". The report goes on to state that women form the overwhelming majority in this sector of work and that the studies carried out agree that the workload is too heavy for them and has a negative effect on their daily lives. 10/

11. In agriculture, the introduction of new technologies, such as those related to the green revolution and biotechnology, resulted, in the first instance, in an increase in women workers owing to larger areas of cultivated land and the continuation, for a time, of certain traditional tasks which were later dispensed with. In fact, new technologies replaced female field labour and reduced female worker participation in the so-called agricultural labour force. In general, whenever mechanization and new technologies are applied to rural activity, men usually take the existing jobs, of which there are far fewer than in traditional agricultural work. In Indonesia, the number of female workers fell drastically when the tasks of winnowing, threshing and grinding were mechanized and mills were contracted out to men who could operate the new machinery. The same thing happened in Bangladesh and India. 11/

12. In sub-Saharan Africa, where women have tended to enjoy a more favourable situation in comparison with their counterparts in other underdeveloped countries, mortality rates and nutrition and health indicators have shown that, because of the important role played by new technology in the agricultural system, women have been relieved of this type of work. Their situation has also worsened because of the promotion of export crops, which use mainly male workers, and structural adjustment. These two factors have worked against women workers by reducing their access to the land. The awarding of land through structural adjustment programmes has often robbed them of their traditional rights of usufruct of arable land, thereby reducing their income earning opportunities. The introduction of individual property rights and the reduction of communal land rights has limited the access of women to productive resources in southern Asia as well. 12/

13. Another effect of globalization on the life and work of women is migration to other countries. According to certain sources, 80 million persons were working outside their country of origin in 1994 and, in Asia alone, each year, some 300,000 workers cross their national borders to work abroad. Many work as household employees, while, in the last few years, they have also left to work in small companies or labour-intensive industries, as well as in the informal service sector. The number of women who emigrate is phenomenal. For example, the number of women who emigrate from the Philippines, which is the Asian country with the highest emigration rate, is 12 times greater than that of their male counterparts. The incorporation of women into the international labour market seems to be one of the answers to unemployment and it is certainly a survival strategy that families are using to raise global family incomes as much as possible and keep the link with the failing national economy, which is created through the male head of household, to a minimum. 13/ There is no need to emphasize the risks and difficulties which these women face in foreign countries, where they are subjected to all types of violence, as outlined by the Special Rapporteur, Mrs. Radika Coomoraswamy in her reports (E/CN.4/1998/54 and Add.1) and in the Secretary-General's report on this topic (E/CN.4/1998/74 and Add.1).

14. The causes of the sharp rise in poverty and extreme poverty in the world, which is characteristic of this period of globalization, include unemployment, as well as the creation of jobs paid below minimum subsistence levels and the scaling down or removal of social services which used to be provided by the State. Women are among the primary victims of poverty, according to the general rule whereby the lower down individuals or groups are on the social scale, the graver the effects of current economic policies on their lives. According to the ILO, "several studies have shown that the flexible distribution of women workers' working hours has been one way of adapting to growing poverty; women are dedicating more time to productive and community activities, frequently at the expense of work in the home, care of their family and their own free time". 14/

15. As a result of globalization, the smaller role played by the State in the economy, in particular the drastic cut-backs in social spending, has harmed women more than men. Many of the services which have been reduced or eliminated used to ease some of the domestic burden and made work compatible with motherhood. Reduced child-care services have forced women to accept part-time jobs or to leave their children in the care of other female family members, and this, in turn, has increased the workload of the latter. Cuts in education and health spending have forced them to try desperately to replace these services or else leave their children and family members vulnerable. The privatization of health services has meant that women of more modest means have to look after their sick relatives themselves. All of this has significantly increased the workload of women. According to a United Nations document, "Mounting evidence suggests that by increasing poverty, unemployment and despair, structural adjustment policies may exacerbate violence against women by reducing their economic power and increasing their burden due to reduction or loss of social services". 15/

16. Women throughout the world are in charge of reproductive tasks which include not only giving birth, but also raising, feeding, educating, caring for and helping to socialize their children, as well as looking after other

family members and taking care of the family's assets. The large-scale entry of women into the job market has reduced the time women spend on these tasks, but has, above all, eaten into their own free time. The lack of free time is an obstacle not only to their right to rest and to relaxation, but also to their education and participation in cultural and scientific activities. Whe women do not have time for all the tasks they have to perform (transporting water and wood, subsistence farming, preparing meals and, very often, participating in the world of work), they tend to off-load some of these task onto their female children, forcing them to leave school. And so the vicious circle continues in which women lack the necessary training and therefore hav to accept inferior lower paid jobs in harsher conditions often bordering on slavery.

Notes

1/ ILO, "1993 World Labour Report", p. 23.

2/ Luchmun, Dev, "Women in trade unions in the Mauritius export processing zones" in Women in trade unions: organizing the unorganized, Margaret Hosner Martens and Swasti, Mitter (eds.), ILO, Geneva, 1994.

3/ Results of ILO surveys. See Standing, Guy, "Globalization, Labou Flexibility and Insecurity" in European Journal of Industrial Relations, March 1997.

4/ Widman, Anne Frédérique, "Les salariés redescendent à la mine" in L'Hebdo, No. 12, Lausanne, 23 March 1995.

5/ International Institute for Labour Studies (IILS), "Women Workers in a Changing Global Environment", working paper for the International Forum Equality for Women in the World of Work: Challenges for the Future, Geneva, 1-3 June 1994.

6/ ILO, International Labour Conference, 82nd session, 1995. Report V (2). Fifth item on the agenda: Home Work, pp. 11-12.

7/ ILO, "1993 World Labour Report", p. 32.

8/ Regional Employment Programme for Latin America and the Caribbean (PREALC), ILO, Newsletter No. 32, "Latin America: economic growth that generates more jobs of inferior quality", Santiago de Chile, September 1993.

9/ ILO, "Regulation of Women's Employment in Latin America", Geneva, 1993, p. 11.

10/ Cissé, M. "Trade unions and workers in the informal sector in Burkina Faso" in Women in trade unions: organizing the unorganized, ILO, Geneva, 1994.

11/ IILS, op. cit., p. 23.

12/ Klansen, S., "Gender inequality and development strategies: lessons from the past and policy issues from the future", ILO, World Employment Programme, WEP 2-46/WP.41, Geneva, 1993.

13/ IILS, op. cit., pp. 30-31.

14/ ILO, Governing Body, Committee on Employment and Social Policy (GB 261/ESP/2/2), 261st session, Geneva, November 1994.

15/ "Peace: Measures to eradicate violence against women in the family and society", report by the Secretary-General to the Commission on the Status of Women at its 38th session, E/CN.6/1994/4, New York, 7-18 March 1994, para. 54.

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IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

DAY OF GENERAL DISCUSSION

Globalization and its impact on the enjoyment of economic and social rights

Monday, 11 May 1998

Globalization and the human rights set forth in articles 6 to 8 of the International Covenant on Economic, Social and Cultural Rights

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GLOBALIZATION AND THE HUMAN RIGHTS SET FORTH IN ARTICLES 6, 7 AND 8 OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

I. Globalization and trade union rights

1. A major characteristic of globalization is the internationalization of production and services mainly involving transnational corporations (TNCs). The mobility of transnational corporations (the possibility of relocating from one country to another in a very short time) in peripheral countries, in particular, limits the ability of their employees to bargain collectively. If a TNC considers that workers' claims are excessive, it may threaten to withdraw from the place of establishment or to split its production up over several sites. 1/ Sometimes, in order to stimulate foreign investment, States may restrict trade union rights. 2/

2. Export processing zones are a prime example of the restriction of workers' rights and the right to organize, linked to the establishment of transnational corporations. 3/ For example, in the free zones of the Dominican Republic, about 90 per cent of companies are multinationals, the vast majority being United States-based. In 1985, 67 per cent of employees were women 4/ and it is estimated that this percentage has climbed to 80 per cent.

3. According to information received from the United Workers' Confederation (CTU) of the Dominican Republic, the average free zone salary is below the national minimum wage. In April 1995, trade unions obtained an across-the-board salary increase of 20 per cent. Transnational corporations operating in the free zones challenged this increase before the Salaries Committee. After lengthy negotiations, the companies accepted a two-phase increase: 10 per cent in April and a further 10 per cent in September 1995. Between 1992 and 1994, 114 trade unions were formed in the Dominican Republic free zones, of which only 7 per cent remain, as the members of the organizing committees were dismissed by the companies (information supplied by the CTU).

4. According to the 1995 annual report of the International Confederation of Free Trade Unions (ICFTU), a similar situation exists in the free zones of Honduras, El Salvador and other countries on other continents. The report also notes that, in the United States where the vast majority of transnational corporations are based), at least 1 in 10 trade union members promoting the establishment of a trade union is unfairly dismissed by the employer. It is therefore not surprising, states the report, that this country has never signed the ILO Conventions No. 87 (on the right to organize) and No. 98 (on collective bargaining).

5. "The tenet that franchies have served as a powerful engine for job creation and that any jobs are better than no jobs echoes arguments increasingly put forth today", notes Mr. Dan Gallin, Secretary-General of the International Union of Food and Allied Workers' Associations (IUF). "For IUF members", adds Mr. Gallin, "the experience of work in 'really existing franchises' has all too often been a massive disenfranchisement of the basic democratic rights, including the right to organize and bargain collectively ... Employment conditions at companies like KFC and McDonald's are characterized by low pay, poor conditions, and for many part-time

workers, a total lack of basic socia. prtoection". Gallin noted cases of trade union rights violation ny McDonald's in Toronto, Canada, and Lyon, France. 5/

6. The Central American Labour Ministers who met in Nicaragua on 7 and 8 March 1996 adopted the Montelimar Declaration, which states, inter alia, that some transnational corporations operating in free economic zones are flouting labour law and violating human rights. 6/

II. Globalization and the right to work

7. One general comment that can be made is that, over the last few decades, transnational corporations have become much more involved in the world economy. Their investment has also increased significantly and yet, at the same time, world unemployment has risen at an alarming rate to become one of the most serious social ills of our time. The 100 largest transnational corporations control a third of foreign direct investment and the total sales of all TNCs put together exceed total world exports. 7/

8. Between 1985 and 1992, TNC foreign direct investment almost tripled (from $674 million to $1.932 billion), but it generated only 8 million jobs throughout the world (an increase from 65 to 73 million jobs), including 5 million in developing countries (an increase from 7 to 12 million jobs). Seventy-three million jobs represent 3 per cent of the total world labour force and 12 million jobs in developing countries, which account for 2 per cent of their labour force. 8/ The 5 million jobs created by TNCs between 1975 and 1992 in developing countries represent less than 5 per cent of the registered unemployed in those countries and about 1 per cent of the real unemployed. The 3 million jobs created by TNCs between 1985 and 1992 in developed countries represent less than 10 per cent of the unemployed in those countries (35 million currently unemployed in the countries of the Organization for Economic Cooperation and Development).

9. The number of jobs and the rate at which TMCs create jobs are thus insignificant when compared to these companies' global capital, their annual investment growth and their importance in the world economy. These same factors are even more insignificant in relation to the world labour force and the current number of unemployed persons.

10. This is the result of the fact that TNC investment is capital-intensive and geared towards new technologies (information technology, electronics, etc.), which destroy rather than create jobs. In general, the ratio of invested capital to job creation by TNCs is very high if compared with small and medium-sized enterprises. 9/

11. Consequently, in terms of the possible creation of indirect employment, it is estimated that 12 million such jobs are created in developing countries, i.e. a number of jobs equal to those created by TNC direct employment. 10/

12. But TNC activity in developing countries has a negative effect on employment in general, as it causes the disappearance of domestic craft and other industries, with an accompanying increase in unemployment. There are exceptions, as occurs for example, with automative factories. These encourage

the creation of subcontracting firms which manufacture different components. Domestic firms used to handle these subcontracts, but they have been replaced by large transnational corporations.

13. Another underlying negative effect of TNCs on employment is their extreme mobility, i.e. their ability to relocate from one country to another in search of better comparative advantages, in particular cheaper labour, as often happens in the textile and electronics industries. When a TNC leaves one country to set up in another, it obviously has to lay off staff in the former country.

14. A large portion of TNC foreign direct investment is injected into export processing zones (176 zones in 47 developing countries in 1986, where TNCs employed 1.3 million persons and 600,000 more in similar sites in the free zones in the mid-1980s). 11/ The TNCs operating in free zones are largely assembly plants ("maquiladoras") with little or no spin-off for the economy and employment in the country in which they operate. 12/

15. It may therefore be concluded that "... there is no reason to assume that worldwide MNE [TNC] employment will change very much in the years to come. By contrast, world economically active population is still growing rather rapidly at a pace of more than 2 per cent annually. According to ILO calculations ... at least 600 million new jobs have to be created by the year 2000 if anything approaching full employment is to be approached. That is, direct MNE employment in all its dimensions is not only, in numerical terms, almost marginal, but its percentage share in world economically active population may in fact even diminish". 13/

Notes

1/ UNCTAD, World Investment Report. Transnational Corporations, Employment and the Workplace, 1994, pp. 251-253.

2/ UNCTAD, op. cit. p. 257.

3/ UNCTAD, Box VI.3 (p. 260), op. cit.

4/ Francisco de Moya Espinal, "Las zonas francas industriales y las empresas multinacionales: efectos económicos e impacto sobre el empleo en la República Dominicana", International Labour Office, Working Paper No. 46, Geneva, 1986.

5/ World of Work, The Magazine of the ILO, No. 10, December 1994, p. 13.

6/ Commission on Human Rights, E/CN.4/1996/SR 17, p. 10.

7/ UNCTAD, World Investment Report, Transnational Corporations, Employment and the Workplace, 1994, p. xxi.

8/ UNCTAD, op. cit., pp. 175 and xxiii. See also: ILO, Promoting Employment; Report of the Director-General. Internatonal Labour Conference, eighty-second session, 1995, p. 24 of the Spanish edition.

9/ Basualdo, Lifschitz y Roca, Las empresas multinacionales en la occupación industrial en la Argentina, 1973-1983, ILO, Working Paper No. 51, 1988, pp. 56 and 57.

10/ ILO, Report of the Director-General, cit. p. 24.

11/ Kreye, Heinrichs and Fröbel, Multinational enterprises and employment, Working Paper No. 55, ILO, 1988, p. 15.

12/ Mercedes Pedrero Nieto and Norma Saavedra, La industria maquiladora en México, Working Paper No. 49, ILO, 1987, pp. 81-82.

13/ Kreye et al. op. cit. p. 25.